

UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL BOARD OF DIRECTORS MEETING

January 13, 1993

Doubletree Hotel, Salt Lake City

The meeting was called to order by Commissioner Gary Herbert, who welcomed the members of the board.

The following individuals were present: Commissioner Dixie Thompson, Emery County; Commissioner Ken Brown, Rich County; David Nelson, UACIM Loss Prevention Manager; Sheriff Sid Groll, Cache County; Kent Sundberg, Utah County Attorney's Office; Gerald Hess, Davis County Attorney's Office; Harry Bowes, Consultant to UACIM; Dennis D. Ewing, Tooele County Clerk; Jess Hurtado, RHH/AON Broker; Doug Alexander, Rollins Ins, Claims Manager; Commissioner Gary Sullivan, Beaver County; Commissioner Gary Herbert, Utah County; Brent Gardner, Executive Director, UAC.

Commissioner Herbert informed the Board that the minutes from the previous meeting were not prepared, but would be reconstructed and distributed at a later date.

LITIGATION

Kent Sundberg, head of the Litigation Management Committee, was to meet with the committee on Monday, January 11, to discuss the coverage for Eminent Domain. Due to the weather, the committee was unable to meet. There is still no position taken at this time. The committee is scheduled to meet next month and discuss this. This item was tabled until the March Board Meeting.

CLAIMS REPORTS

Doug Alexander, Claims Manager, handed out a report of the open claims over \$10,000. Discussion was held on each of the claims.

A question was asked on how the counties should hand Civil Rights Claims. Doug suggested that the counties prepare to defend themselves, document all discussions and actions, and open the communication to discuss settlement. When asked if there are case dismissals, Doug replied only when the case is frivolous and unfounded and there are no facts in dispute. Some courts are hesitant to give a summary judgment, and it's not easy to get a dismissal approved.

A synopsis for year end claims was handed out to the board. A claim for \$100,000 was brought to the attention of the board. This was given after a settlement with the claimant. The city settled earlier, paying a higher price. The board felt the city should have cooperated more with the county and that the city acted prematurely in their settlement. A concern was voiced regarding the lack of cooperation the county received from the city in this case. A suggestion was

made that a letter be drafted from the Board to the City regarding this case, stating that it is felt by the board that the city acted prematurely and that no cooperation was given to the county in defending this claim. Dave stated that he would be in the city and would deliver the letter.

Dennis D. Ewing made a motion that Brent Gardner draft a letter to the city council, with a copy to the board members, stating the position that the board takes on this issue, with Dave Nelson delivering this letter. The motion was seconded by Commissioner Brown and passed unanimously.

Gerald Hess asked for a copy of the listing of all payments made and a loss summary YTD for 1992, broken down by county. Brent Gardner has access to this and will summarize the information. This listing will be distributed to the board. Then Brent Gardner will sit down and go through the listing with Mr. Hess. Jess Hurtado suggested that if the board notices excessive loss in an area from a county, that contact be made with that county to discuss what can be done to minimize loss. Dave Nelson will do the follow-up with the counties.

Synopsis from the Year End Frequency Report. 258 claims were reported to Mutual. 35 claims were from 1991 and 2 claims were from 1990. 98 claims are still open and 160 have been closed. Auto claims were the highest pay out, 143 claims totaling \$199,641. This includes the \$100,000 Uintah County claim. General Liability had 92 claims totaling \$44,437.39. 1991 losses went to the other carriers. These claims were much higher. Other claims totaling \$4,228, and property damage totaling \$5,284.28, including \$5,000 that is owed to Grand County from the state.

The largest loss frequency is:

- #1 - Defensive driving
 - a) road crews
 - b) law enforcement
- #2 - Personnel - discipline or reprimand.
- #3 - Jail liability - county employees sued by jail inmates
 - a) Medical care - don't delay care
 - b) Dangerous conditions - slips and falls
 - c) Human rights - inmates are human beings with rights

BROKERAGE/TPA AGREEMENTS

Jess Hurtado, Rollins, Hudig & Hall of Utah, talked with Bill Peters last month. Carla in the Chicago corporate office is working on the agreement. She faxed a copy of the revised agreement to Harry Bowes, and has not yet had a response. Harry has not had a chance to go over the agreement, and will meet with Mr. Hurtado at a later date regarding the contract. Mr. Bowes did notice that the contract was with RHH and UAC. This needs to be modified to be between RHH and UACIM. The obligations of UAC in the contract for 1993 should not be in there.

Gerald Hess suggested that the attorneys go over 1992's contract and then go over the contract with UACIM. Jess explained that the attorneys who are drafting this contract are from AON and not RHH. He would like Carla from the corporate offices in Chicago to meet with Gerald and go over the contract with him.

The question was asked as to who the final authority is on this contract. Bill Peters is the final advisor for the contract, but the UACIM Board has the final say and signs the contract.

Mr. Hurtado is optimistic that the contract will be ready for the next board meeting, March 26. This is to be the #1 topic for that meeting.

LOSS PREVENTION PLAN

Mr. Dave Nelson, Loss Prevention Manager for UACIM, handed out a "1993 Goals and Objectives" sheet to help the board see what the goals of the program are for 1993.

Mr. Nelson stated that he is scheduling with all the counties for an inspection of all county operations, and he would present this schedule at a later date.

Personnel training sessions are starting around the state for employee discipline and termination procedures. Information is going out within the week to each county for the times and locations of these seminars.

Driver training is another priority for the UACIM board.

Gerald Hess reminded Dave that the board needs copies of county inventory. Jess Hurtado stated that he would like a copy of the inventories also.

Another point of concern is the jail standards in the county jails. There are not standards written by the counties for the county jails. The jails are not sure what standards are needed to be kept. A concern for jail liability creates a need for these to be written. They should be both physical and operational, and constant across the state. Standards were written in the past, but they have not been kept up, and they need to be re-written. Gary Herbert will send a copy of the standards written by Sheriff Bateman about four years ago. The standards do not need to be absolutes, but more of guidelines and direction. If the jails are not run correctly and begin following some set of standards, the courts will come in and impose their set of standards.

A suggestion was given that the counties have an independent consultant come in, inspect the jails and write standards for the jails. The cost of the consultant can be taken out of the premiums. Some candidates for the consultant were; Gary Delan - Former Executive Corrections Director, and Lynn Lund. Estimates for the cost were approximately \$15,000. If the Mutual is to handle the writing of the standards, all counties in the state would participate financially and procedurally. Jess Hurtado stated that it was appropriate to handle through the Mutual.

Dixie Thompson made a motion that all counties would participate in the cost and the standards for the county jails. Sidney Groll seconded the motion, and passed the motion unanimously.

Brent Gardner will talk with Gary Delan and Lynn Lund to find out cost and procedure, and talk to the non-participating counties about becoming involved.

INTERLOCAL AGREEMENT

Washington County has an agreement with Colorado City, AZ to house inmates. The board discourages this idea. There are too many legal complications. If the agreement continues, Jess Hurtado would like to have cross-deputization, a magistrate sign the paper work, inmates brought in under the other state, and only house sentenced inmates.

Medical costs are all Arizona's liability. There is no liability in this area for Washington County. The board needs to review the contract with Washington County if there are problems. More research is needed in this area. Jess Hurtado and Brent Gardner will speak with Washington County. If there still remain questions, Washington County officials involved in the contract will be invited to the next board meeting to discuss the contract.

BROKER REPORT

Jess Hurtado discussed the difficulties in getting the underwriting materials from the counties. Therefore, because he was unable to get all the information, assumptions were made from last year's information. The renewal rates have changes due to differences in property values. Rates, carrier, etc. are all the same. He will report to the general membership at the annual convention on the changes.

Jess is still receiving the Workers Comp survey that was sent out to the counties. Reminders have been sent.

A question was raised about coverage in special districts. Jess requested a schedule of special districts from the counties that are covered by UACIM. Commissioner Gary Herbert expressed a concern over ambulance service in special districts. The ambulance service wants to be covered by the county to service the special districts. Jess explained that the county is a provider due to the inter-local agreement, and any on-going contractual issue is covered.

The policy, though, is vague to many members of the council and needs to be more defined. Jess stated that the policy can be written and interpreted in any way the board would like it. This issue will be addressed in the next board meeting.

1992 BUDGET - YEAR END

The UACIM was under budget for 1992. Paid losses were higher, loss reserves were lower and administration costs were lower, leaving the budget slightly under on the whole.

A 1993 budget was handed out. This budget was not inclusive of land use figures. Brent will proceed with a land use budget when all the figures are in.

Brent indicated that the Mutual is healthy and will continue to be so. The mutual is within budget with a surplus.

Gerald Hess had questions for the budget figures. The differences in the prices are because of the change in values. The rates have stayed the same for 1993.

VEHICLES

UAC owns some vehicles and asked the board for approval to place these vehicles on the UACIM insurance. UAC would be paying the same premium that they are paying at this time.

Dixie motioned to let UACIM insure the UAC vehicles. Dennis seconded the motion, and the motion passed unanimously.

NEXT MEETING

The next UACIM Board of Directors meeting is set up for March 26th at the Utah County Administration Building.

Commissioner Gary Herbert adjourned the meeting until then.

① Doug letter Draft to UAGT
RE: Uintah Co Case

⑧ Dave do spreadsheet status of Counties
Complying with old jail Standards.

	Std 1	Std 2	Std 3
Boover			
Box			
Chen			

② Dave follow up Uintah to
make sure relationship
over Fire Dist is Clarified

UAC INSURANCE MUTUAL

③ Letter to Uintah Co. Commission
asking Fire Dist be Clarified
Provide uacim recommendation

BOARD OF DIRECTORS

AGENDA

⑨ Dave obtain old jail
Standards from Sid.

January 13, 1993 - 12:00 p.m.
Doubletree Hotel - Salt Lake City

④ Each Meeting Provide
Printout of Claims
paid by line, along
with unit summary
Loss reports.
Review w/ Jerry Hess
before next meeting.

- 1) Review and Approval of Minutes
- 2) Brokerage/TPA Agreements
- 3) Litigation Management Committee Report
- 4) Claims Report
- 5) Loss Prevention Plan - 1993
- 6) Inter-Local Agreement - Washington County
- 7) Broker Report - Renewal for 1993
- 8) Budget - 1993
- 9) Vehicles - UAC
- 10) Other Items

⑩ Dave obtain proposal from
Deland, Lund for new
jail Standards.

⑪ Brent Contact non mutual
Counties to financially
participate in jail Standards

⑫ Explanation to uac Board
of Land use defense for
uacim.

⑤ Follow up w/ RHH
to get Brokerage/TPA
finalized or meeting
Set up to be finalized

⑬ Call Washington Co. w/ Jess + Doug
RE: Ariz. jail Contract - uacim may not
want to cover. Get copy of revised Contract.
Doug can get Contract.

⑭ Dave bring summary of Special Dist.
to next Mtg.

⑮ Next Agenda: Contribution Formula
When should this begin?

⑯ Include uac Auto in uacim

⑰ Next meeting March 26.th
Utah County

⑥ Dave mail to uacim Board
Dates, locations, Counties invited
to Employee Termination seminars.

⑦ Dave provide Written Risk Reviews
to uacim Board.

UAC Insurance Mutual
January 13, 1993
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